



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

July 5, 2002

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Bulletin is a public resource that is made available to state government decision-makers, to any other interested individual upon request and on-line at the Energy Center Internet site.

The Department of Natural Resources, Energy Center thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's (USDOE) Energy Information Administration (EIA) and Chicago Regional Office; the National Association of State Energy Officials (NASEO); the Missouri Propane Gas Association (MPGA) and the Propane Education and Research Council (MoPERC); the St. Louis AAA Auto Club; regional state energy offices; and, Missouri's energy retailers.

The Energy Center collects transportation and propane heating fuel prices from various retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. Unless otherwise noted, energy prices and supplies reported in this bulletin are from Jul. 1, 2002. Also shown are energy data from a month ago, Jun. 3, 2002, and from a year ago, Jul. 2, 2001.

Transportation Fuels

All transportation petroleum products sold in the State of Missouri are imported from processing facilities located outside of the state using a network of pipelines and tanker trucks. Annually, an estimated three billion gallons of motor gasoline are sold to consumers throughout the state. (Source: *US DOE EIA*, 1999)

- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last month, increased by 2.0 cents per gallon (2 percent) moving from 127.0 to 129.0 cents per gallon. Throughout this last year, the price paid increased by 6.5 cents per gallon moving from 122.5 to 129.0 cents per gallon, an increase of 5 percent.
- The average retail price paid for regular unleaded gasoline in the **Midwest**, throughout this last month, increased 0.1 cents per gallon (less than 1 percent) moving from 139.8 to 139.9 cents per gallon. Throughout this last year, the price paid increased by 7.9 cents per gallon, an increase of 6 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, from a month ago, remained unchanged at 139.2 cents per gallon. Throughout this last year, the price paid decreased by 8.2 cents per gallon, a decrease of 6 percent.

- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last month, decreased by 0.8 cents per gallon (1 percent) moving from 124.3 to 123.5 cents per gallon. Throughout this last year, the price paid decreased by 12.9 cents per gallon moving from 136.4 to 123.5 cents per gallon, a decrease of 9 percent.

- Total motor gasoline stocks in the **Midwest**, throughout this last month (May 31 to Jun 28), were up by 0.3 million barrels (1 percent) moving from 52.0 to 52.3 million barrels. In the **United States**, stocks were up by 0.5 million barrels moving from 215.9 to 216.4 million barrels, an increase of less than 1 percent.

- Total motor gasoline stocks in the **Midwest**, throughout this last year (Jun. 29, 2001 to Jun. 28, 2002), were down by 0.7 million barrels (1 percent) moving from 53.0 to 52.3 million barrels. In the **United States**, stocks were down by 5.2 million barrels moving from 221.6 to 216.4 million barrels, a decrease of 2 percent.

- Daily production of total finished gasoline in the **Midwest**, throughout the week ending Jun. 28, decreased from 2,041,000 to 1,924,000 barrels. Daily production in the **Gulf Coast** region, a major supply source of gasoline to Missouri, increased from 3,608,000 to 3,690,000 barrels. This compares to the year-ago daily production levels of 2,040,000 barrels in the **Midwest** and 3,799,000 barrels in the **Gulf Coast**.

- Daily production of reformulated gasoline (RFG) in the **Midwest**, throughout the week ending Jun. 28, increased from 276,000 to 282,000 barrels. Daily production in the **Gulf Coast** region, a major supply source of RFG to the St. Louis area, decreased from 651,000 to 635,000 barrels. Year-ago daily production levels were 282,000 barrels in the **Midwest** and 675,000 barrels in the **Gulf Coast**.

Regular Unleaded Gasoline Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

Jul. 1, 2002 Fuel Data in Cents per Gallon

U.S.	139.2
Midwest	139.9
Missouri	129.0
Central, Mo.	131.7
Kansas City, Mo.	129.5
Northeast, Mo.	129.1
Northwest, Mo.	128.9
St. Louis, Mo.	134.9
Southeast, Mo.	125.5
Southwest, Mo.	127.2

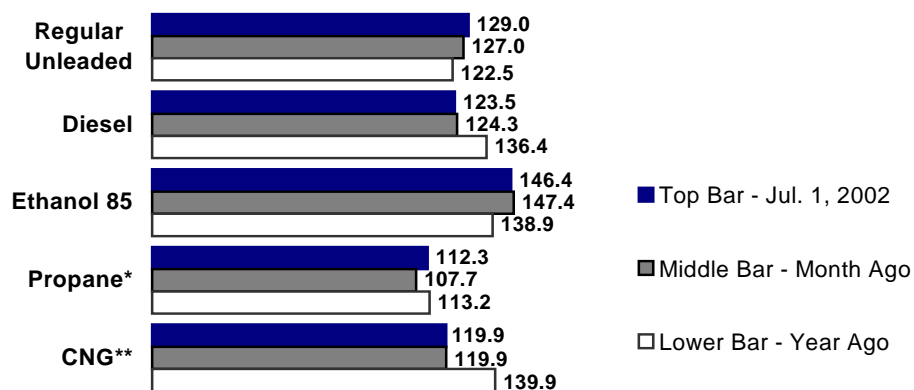
Highway Diesel Fuel Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

Jul. 1, 2002 Fuel Data in Cents per Gallon

U.S.	128.9
Midwest	127.3
Missouri	123.5
Central, Mo.	127.9
Kansas City, Mo.	124.3
Northeast, Mo.	119.9
Northwest, Mo.	121.2
St. Louis, Mo.	123.4
Southeast, Mo.	118.4
Southwest, Mo.	124.7

Transportation Fuels Missouri Average Retail Prices

Cents per Gallon

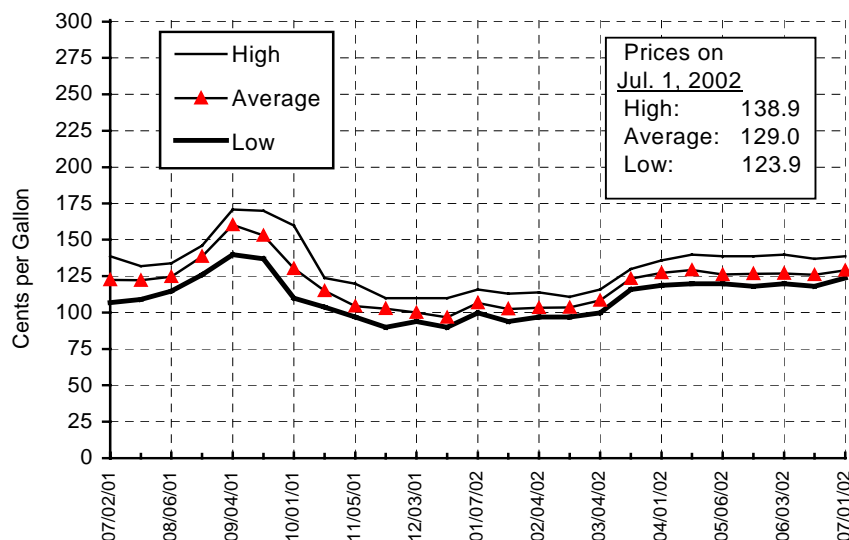


* Throughout the nonheating season, propane data is only collected once a month on the first Monday of the month.

** CNG (compressed natural gas) is reported in cents per gasoline gallon equivalence.

Regular Unleaded Gasoline Missouri Average Retail Prices

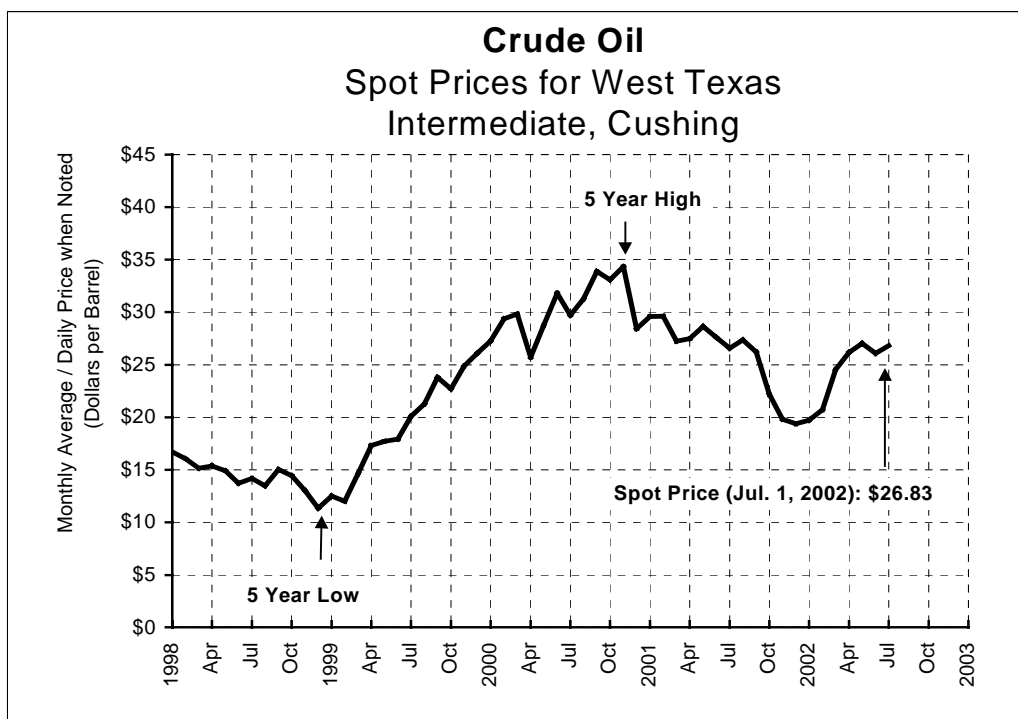
12 Months of Fuel Data in Cents per Gallon



- Since October 2001, gasoline demand has averaged a year-over-year growth rate of 2.0 percent nationally. Yet gasoline prices have not soared this summer as they have the previous two summers due to strong gasoline supply. Gasoline production, particularly over the latter part of the past winter, was high, as refiners reduced the amount of jet fuel being produced since September 11, reflecting the reduction in jet fuel demand. (Source: U.S. DOE/EIA, July 3, 2002)
- Gasoline imports have been pouring into this country, largely reflecting decreased demand in other countries, particularly Europe, which has freed up their gasoline to be exported to the U.S. Total gasoline imports, including gasoline-blending components, have never averaged more than 1 million barrels per day in any week. However, this has now happened four times – all within the last 10 weeks. (Source: U.S. DOE/EIA, July 3, 2002)
- Meanwhile, forecasts of a 1.75 million-barrel draw in gasoline supplies were slightly off the American Petroleum Institute's (API) report of a 1.3 million-barrel inventory decline. Gasoline pump prices heading into the Independence Day holiday were at their lowest levels in 3 years, according to the EIA. (Source: Enerfax Daily, July 3, 2002)

Crude Oil

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last month, increased by 1.75 dollars per barrel (7 percent) moving from 25.08 to 26.83 dollars per barrel. Throughout this last year, the spot price increased by 0.88 dollars per barrel moving from 25.95 to 26.83 dollars per barrel, an increase of 3 percent. (Source: *Wall Street Journal*, Jul. 2, 2002)



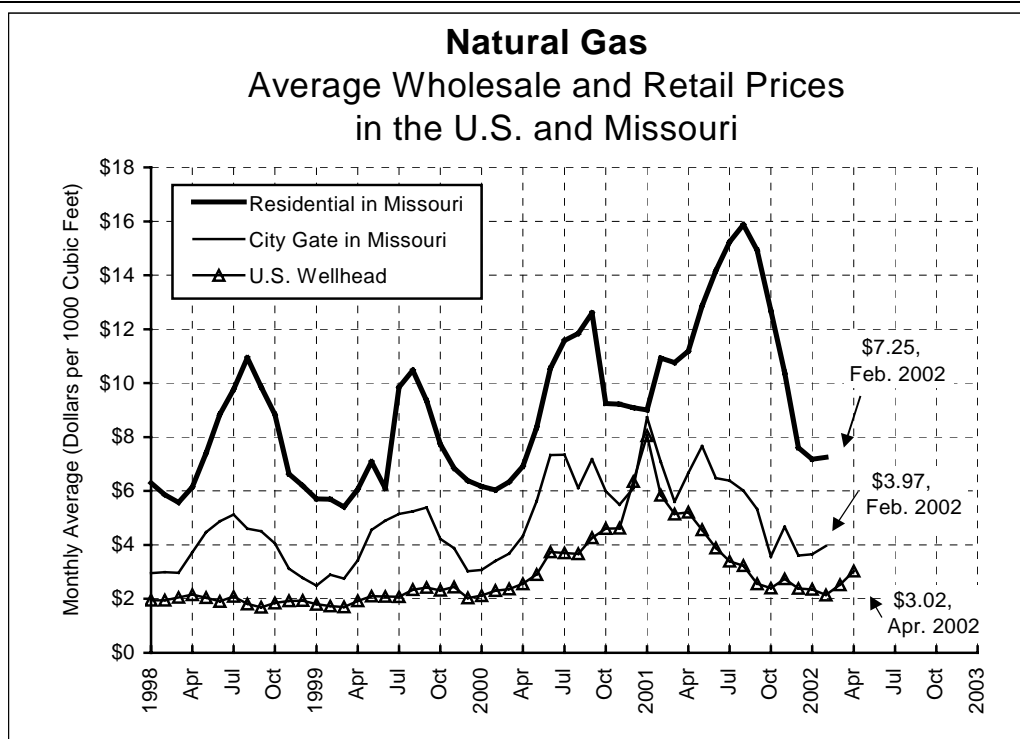
- It seems that crude oil supplies are sufficient for now, largely because refiners are running less crude oil through their refineries than they typically would at this time of year. Last week, even with crude oil inputs to refineries at their highest level since the week ending September 7, 2001, the four-week average remains over 200,000 barrels per day less than last year. (Source: U.S. DOE/EIA, July 3, 2002)
- OPEC agreed on June 26 to continue its current set of production cuts, which have constrained crude oil imports to the United States. In addition, Iraq's oil exports dropped sharply during the second quarter of 2002 due to a self-imposed embargo and increased trader reluctance to lift Iraqi barrels in the face of an ongoing pricing dispute between the United Nations and Iraq. (Source: U.S. DOE/EIA, July 3, 2002)
- The API reported a large amount of crude imports, which likely led to the higher than expected inventory surplus. Iraqi exports remain at about half of capacity levels, at 1.1 million barrels. However, in May OPEC exceeded its quotas by 1.5 million bpd. (Source: API, July 3, 2002)
- Since the beginning of this year, crude oil imports have averaged about 8.8 million barrels per day, or almost 600,000 barrels per day less than was averaged over the same period last year. (Source: U.S. DOE/EIA, July 3, 2002)
- Over the last four weeks, total petroleum demand has averaged 0.5 percent more than for the same period last year, the largest year-over-year growth rate since the four weeks ending May 25, 2001. While a 0.5 percent growth rate may not be large, it is a clear indication of stronger growth ahead. (Source: U.S. DOE/EIA, July 3, 2002)

Heating Fuels

Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies reported in the bulletin from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

Natural Gas

- The spot price paid for natural gas at the Henry Hub, throughout this last month, increased by 0.06 dollars per MMBtu (2 percent) moving from 3.20 to 3.26 dollars per MMBtu. Throughout this last year, the price paid increased by 0.33 dollars per MMBtu moving from 2.93 to 3.26 dollars per MMBtu, an increase of 11 percent. (Source: *Wall Street Journal*, Jul. 2, 2002)
- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last month (May 29 to Jun. 26), decreased by 0.14 dollars per MMBtu (4 percent) moving from 3.42 to 3.28 dollars per MMBtu. Throughout this last year (Jun. 29, 2001 to Jun. 26, 2002), the price paid increased by 0.18 dollars per MMBtu moving from 3.10 to 3.28 dollars per MMBtu, an increase of 6 percent.



Propane

Residential propane prices in the **Midwest** and **United States** are posted in the Missouri Energy Bulletin throughout the winter heating season (October through March). Residential propane prices reported for **Missouri** are updated once a month in the bulletin throughout the non-heating season (April through September). Propane stocks reported for the **Midwest** and **United States** are updated once a month in the bulletin throughout the non-heating season (April through September).

- The average price paid for residential propane in **Missouri**, throughout this last month, decreased by 3.7 cents per gallon (4 percent) moving from 90.2 to 86.5 cents per gallon. Throughout this last year, the price paid for propane decreased by 9.4 cents per gallon moving from 95.9 to 86.5 cents per gallon, a decrease of 10 percent.

Residential Heating Oil

- Residential heating oil stocks in the **Midwest**, throughout this last month (May 31 to Jun. 28), were up 0.6 million barrels (8 percent) moving from 7.8 to 8.4 million barrels. In the **United States**, stocks were up by 2.9 million barrels (6 percent) moving from 49.2 to 52.1 million barrels.
- Residential heating oil stocks in the **Midwest**, throughout this last year (Jun. 29, 2001 to Jun. 28, 2002), were up by 0.9 million barrels (12 percent) moving from 7.5 to 8.4 million barrels. In the **United States**, stocks were up by 7.0 million barrels (16 percent) moving from 45.1 to 52.1 million barrels.